
AGENCY: Division of Insurance and Grants Services

SUBJECT: Authorization for Disbursal of Funds from Barnwell Decommissioning Trust Fund

Pursuant to Regulation 61-63, Title A (RHA 7.30)(Attachment 1), a trust agreement dated March 4, 1981, among Chem-Nuclear Systems, LLC ("grantor"), the South Carolina Budget and Control Board ("beneficiary"), and the South Carolina State Treasurer ("trustee") establishes a trust fund to pay for decommissioning and closure of the Barnwell disposal facility (Attachment 2).

Under the agreement, Chem-Nuclear deposits into the trust fund \$4.20 per cubic foot of waste disposed to cover the costs of these activities. The balance of the fund is \$21,304,284.

Barnwell decommissioning and closure work began in 1991 and specific tasks are conducted with the approval of the Department of Health and Environmental Control (DHEC). Attachment 3 is a table summarizing previous disbursements authorized by the Board.

This request is to authorize the disbursement of up to \$18 million to complete Phase I of site closure, which is planned to begin in spring 2008. The specific work activities in Phase I are described in "Chem-Nuclear Systems 2005 Closure Plan," which has been approved by the Department of Health and Environmental Control. Attachment 4 is a letter from DHEC approving the site closure work plans. Supporting documentation for the \$18 million estimate has been reviewed by the Board staff and their engineering consultant, and by staff of the Atlantic Compact Commission.

The staff, in consultation with the Office of State Engineer and an independent cost estimating contractor, will review specific work packages prior to the initiation of any work by Chem-Nuclear. After completion of work and approval of invoices documenting the expenditures, staff will direct the Office of State Treasurer to make disbursements for the actual expenses incurred, not to exceed the amount approved by the Board.

BOARD ACTION REQUESTED:

Authorize disbursements from the Decommissioning Trust Fund to the Barnwell disposal site operator, Chem-Nuclear, not to exceed \$18 million, to conduct work in accordance with plans approved by the Department of Health and Environmental Control.

ATTACHMENTS:

Agenda item worksheet; Attachment 1: Regulation 61-63, Title A (RHA 7.30), Funding for Disposal Site Closure; Attachment 2: Trust Agreement – Barnwell Decommissioning Fund; Attachment 3: Summary of authorizations and disbursements from the Trust Fund; Attachment 4: Letter from DHEC approving closure work plans